

# Nursing Homes: Pursuing Consumer Choice and Quality

**Bernie Dana**



# Introduction

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- ◆ Bernie Dana, Chair of AHCA Quality Improvement Subcommittee
  - ◆ American Health Care Association (AHCA)
    - 11,000 facilities
    - Both for-profit and non-profit
    - Variety of care settings

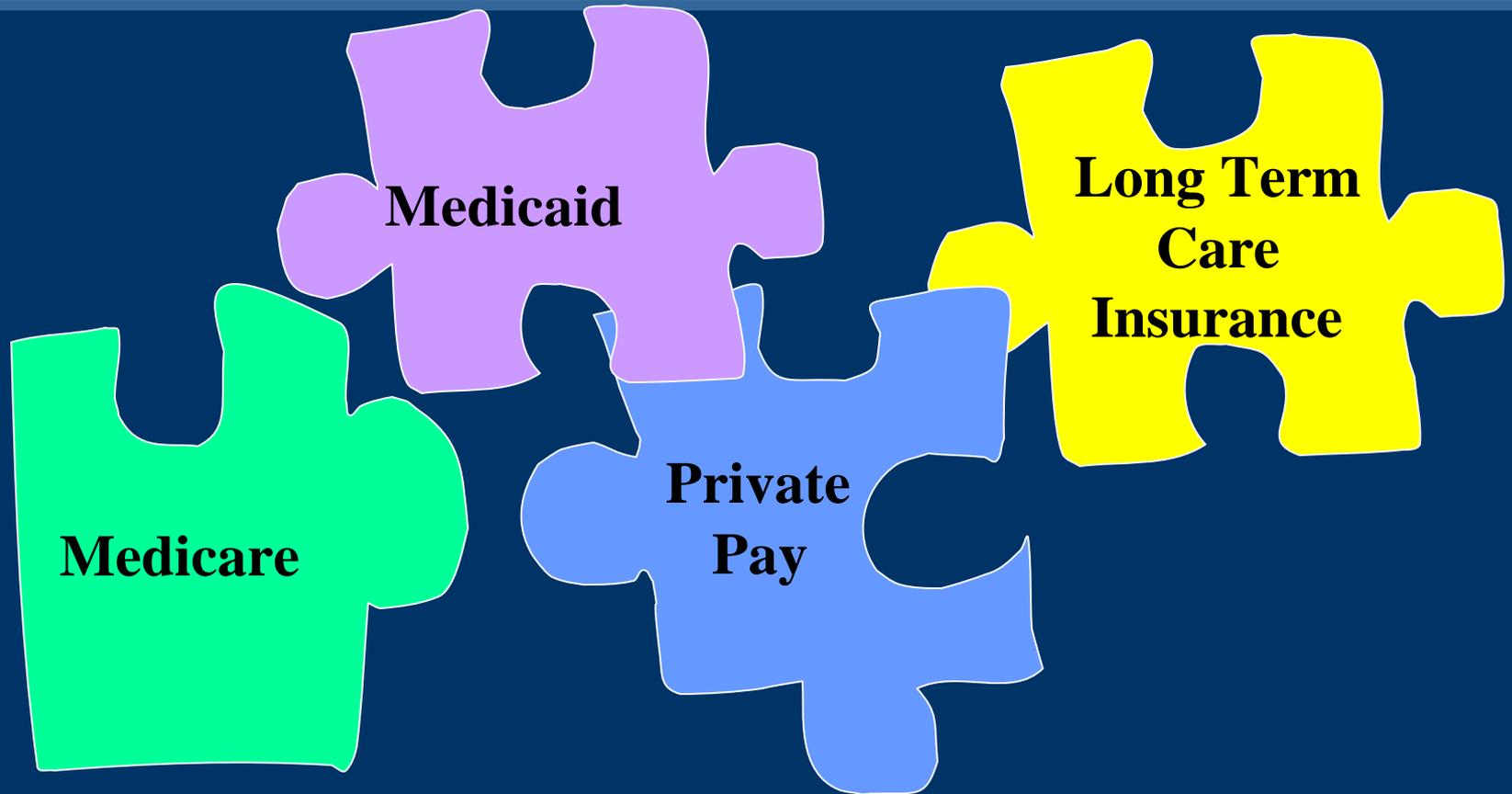
# About Our Customers

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- ◆ Nursing home care – no one looks forward to it
  - ◆ Consumers not educated
  - ◆ Services continue to evolve and diversify
  - ◆ Primary customers – residents/families

# Marketplace and Consumer Choice

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- ◆ Health planning: limit supply and usage
  - ◆ Certificate of Need laws
  - ◆ Consumer choices limited
  - ◆ Providers assured high occupancy rates
  - ◆ Little incentive to compete
  - ◆ Alternative services reduced demand
  - ◆ Consumer choice returns

# Financing Patchwork



# Consumer Choice - Ability to Pay

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- ◆ Medicaid and Medicare as payment source
  - ◆ Medicaid is for the poor
  - ◆ Medicare is federal health insurance
  - ◆ 65% of Nursing Home residents are Medicaid eligible
  - ◆ Less than 10% qualify for Medicare
  - ◆ Remainder pay from own resources

# How Consumers Become Informed

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- ◆ Print, media and web supplement personal contact with referral agents
  - ◆ Positive relations with residents, families, and staff for word-of-mouth advertising
  - ◆ Visits by potential customers
  - ◆ Medicaid allowable advertising cost is limited

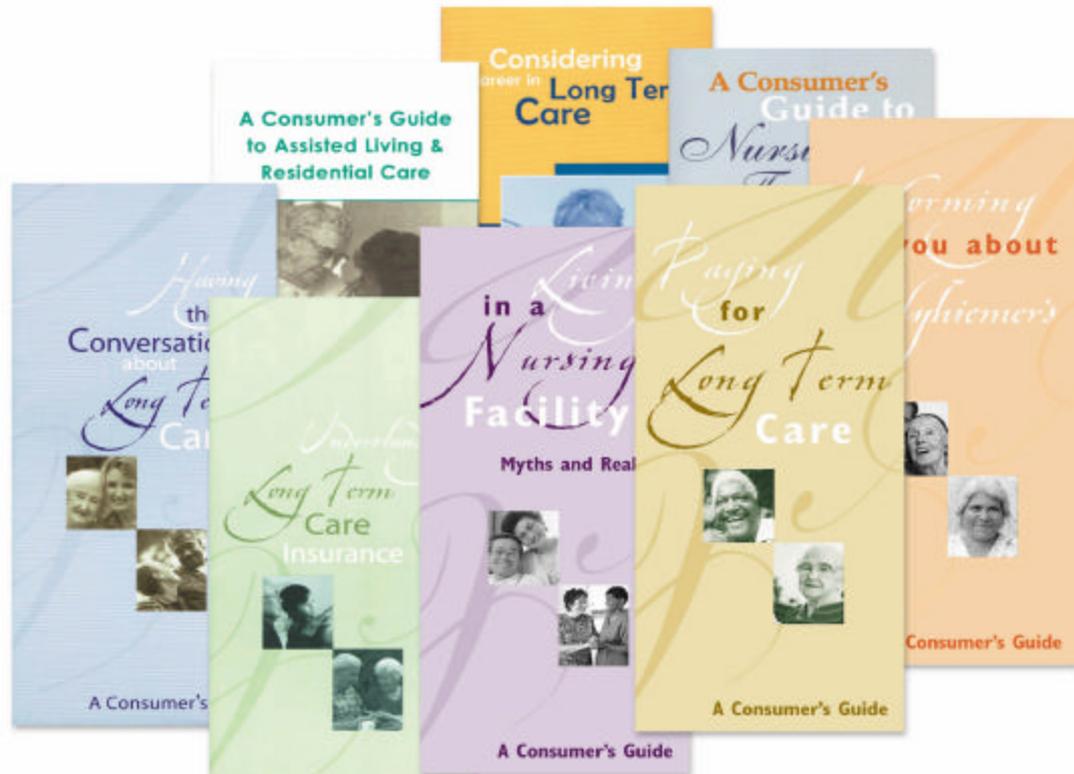
# Print and Media Ads



- ◆ List services and facility features
- ◆ Quality claims usually limited
  - Quality award announcements
  - Resident/family testimonials
- ◆ Identify licensure level (Skilled Nursing Facility, Nursing Facility, Assisted Living)

# Consumer Resources

AHCA produces free pamphlets for consumers – tools to educate and clear up common misconceptions



Available at [www.longtermcareliving.com](http://www.longtermcareliving.com)

# Quality Information

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- ◆ Results of federal inspections
    - Surveyor inconsistencies
    - Subjective process focused on paperwork
    - Consumers can access results
    - Confusing and misinterpreted

# Nursing Home Compare Website

CONFUSING  
FOR  
CONSUMERS



The screenshot shows the Medicare website interface. At the top, there is a blue header with the Medicare logo and navigation links: "Screen Reader Version", "Español", "中文", "Home", "Glossary", "Help", and "Frequently Asked Questions". Below the header is a search bar and a "Zip Code Locator" field. The main content area is titled "Nursing Home Compare" and includes an "Overview" section. The overview text states: "Welcome to Nursing Home Compare. The primary purpose of this tool is to provide detailed information about the past performance of every Medicare and Medicaid certified nursing home in the country. **Important Information on Nursing Home Compare** and other resources, including the **Guide to Choosing a Nursing Home**, and **Nursing Home Checklist** are also available to help you with your nursing home choice. Use these tools, along with the information you gather during your visits to the nursing homes you are interested in to make your best choice." Below this, there is a section titled "Begin Nursing Home Search" which lists "About the Nursing Home" as one of the sections of detailed information available.

# Nursing Home Compare Website

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- ◆ Federal inspection data - annual
  - ◆ Quality measures - quarterly
  - ◆ Quality measures are flawed
    - Don't reflect respect, responsiveness, living environment and quality of life
  - ◆ Dubious value for choosing nursing home
  - ◆ Must be supplemented with personal visits

# Solutions

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- ◆ State-wide consumer guide examples
    - Michigan
    - West Virginia
    - Ohio
  - ◆ Consumers prefer satisfaction results

# Tellis-Nayak Research



- ◆ 11,715 families in 504 nursing homes
- ◆ Family & staff satisfaction measure facility's quality and performance
- ◆ Family satisfaction links to:
  - Quality of care
  - Stability and devotion of staff
  - State survey results
  - Overall operation of facility

# SAMPLE:

## Model Consumer Guide

(1) Facility	(2) Type	(3) Services	(4) Payments Accepted	
Lincoln Living Center 123 Lincoln Avenue Des Moines, IA 50317	130 SNF 15 ALF Private Own Multi-facility	Physical Therapy Occupational Therapy Speech Therapy IV Therapy Alzheimer's Unit Sub-acute	Private pay Medicaid Medicare	
Report Period	(5) Family Satisfaction		(6) Employee Willingness to Recommend	
	Overall Satisfaction	Willingness to Recommend	Willingness to Recommend	
<b>This Facility:</b>				
Current	94%	96%	89%	
1 <sup>st</sup> Prior Year	92%	93%	88%	
2 <sup>nd</sup> Prior Year	91%	93%	86%	
Current State Average	86%	87%	84%	
Report Period	(7) Average Length of Employee's Service in Yrs.	(8) Compliance with 311 Federal Requirements		
		Percentage Compliance	Number of Deficiencies	
<b>This Facility:</b>				
Current	2.9	99%	4	
1 <sup>st</sup> Prior Year	2.8	99%	3	
2 <sup>nd</sup> Prior Year	2.9	97%	8	
Current State Average	2.2	98%		
Was this facility cited, according to the Federal government's definition, with substandard care or immediate jeopardy two or more times within the past three years?		NO	<a href="http://www.medicare.gov/Nhcompare/home.asp">www.medicare.gov/Nhcompare/home.asp</a>	
<p><b>(9) Facility Comments:</b> Lincoln Living Center (LLC) renovated the resident dining and recreation areas in 1999 to include carpet and wall vinyl. Six (10%) of our employees have been with us for 15 or more years and 18 (30%) have worked at LLC for 5+ years. Our Administrator and Director of Nursing have both been at LLC for over 4 years. We are privately owned and operated by Birchwood Care Services. Birchwood operates 8 nursing facilities in Iowa.</p>				

# AHCA Model Consumer Guide

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- ◆ Encourage state affiliates to develop Consumer Guide
  - ◆ Reports three year trend for:
    - Overall satisfaction of families
    - Families' willingness to recommend
    - Staff's willingness to recommend
    - Inspection data

# A Covenant for Healthy, Affordable and Ethical Long Term Care

# Quality First



**AAHSA, AHCA & the Alliance sign covenant**



## A COVENANT FOR HEALTHY, AFFORDABLE AND ETHICAL LONG TERM CARE

The American Association of Homes and Services for the Aging (AAHSA), the American Health Care Association (AHCA), and the Alliance for Quality, Person-Centered Care (AQCC) have collectively committed to healthy, affordable, and ethical long-term care. Through this covenant, we commit to achieving excellence in the quality of care and services for older persons and manufacturing public policy. We recognize that excellence is the path of innovation and positive change in helping and caring for seniors. We are committed to taking bold and deliberate steps, supported by the participation of state legislatures, business entities, regulators that do not act in isolation, and other stakeholders to ensure that the industry is prepared to meet the needs of the nation's aging population.

These national organizations have developed plans to address excellence. The plans are intended to be complementary of each other and to a common goal. The organizations are in agreement that the Covenant is a key component that will help to ensure the success of these plans and the achievement of excellence in quality long-term care. The core principles are:

1. Consumer Quality Assessment and Quality Improvement
2. Financial Stability and Longevity
3. Workforce Recruitment
4. Public Input and Community Development
5. Ethical Practices and
6. Financial Transparency

Each of these principles will be supported by specific and measurable steps that will be taken to achieve the objectives. Measurable commitments will require progress towards achieving these objectives. Progress will be reported annually to the Quality Improvement Council and the National Quality and Person-Centered Care Alliance. Success will be measured by the industry's ability to meet the needs of the nation's aging population in the following manner:

### EXPECTED OUTCOMES BY 2016:

1. There will be continued improvement in compliance with federal regulations.
2. There will be demonstrable progress in providing financial integrity and ensuring sustainability of funds.
3. There will be demonstrable progress in the quality of direct resident care and provision of individualized care strategies.
4. There will be measurable improvement in all Consumer Medicine and Healthcare Services/End-user Quality Improvement measures.
5. High quality consumer satisfaction surveys will indicate increased resident satisfaction with services.
6. There will be demonstrable improvement in employee retention and turnover rates.

By entering these principles and the specific measurable commitments in the spirit of trust, a collective and collaborative response to the problems faced by the field. We seek to be part of the solution, and not the problem. We understand that there is no one-size-fits-all solution and high quality, education, training and technical assistance remains a priority. Through this initiative, we will work in partnership with consumers and governments to create an environment and a field of open and service-oriented stakeholders can best understand that they are receiving the high quality care and services that they deserve.

William L. Minner, Jr., D.Min.  
Executive Director  
Alliance for Quality, Person-Centered Care

Charles H. Brinkman II, M.D.  
President  
American Health Care Association

Michael B. Wilson  
Executive Director  
American Association of Homes and Services for the Aging



AAHSA  
American Association of Homes and Services for the Aging



AHCA  
American Health Care Association



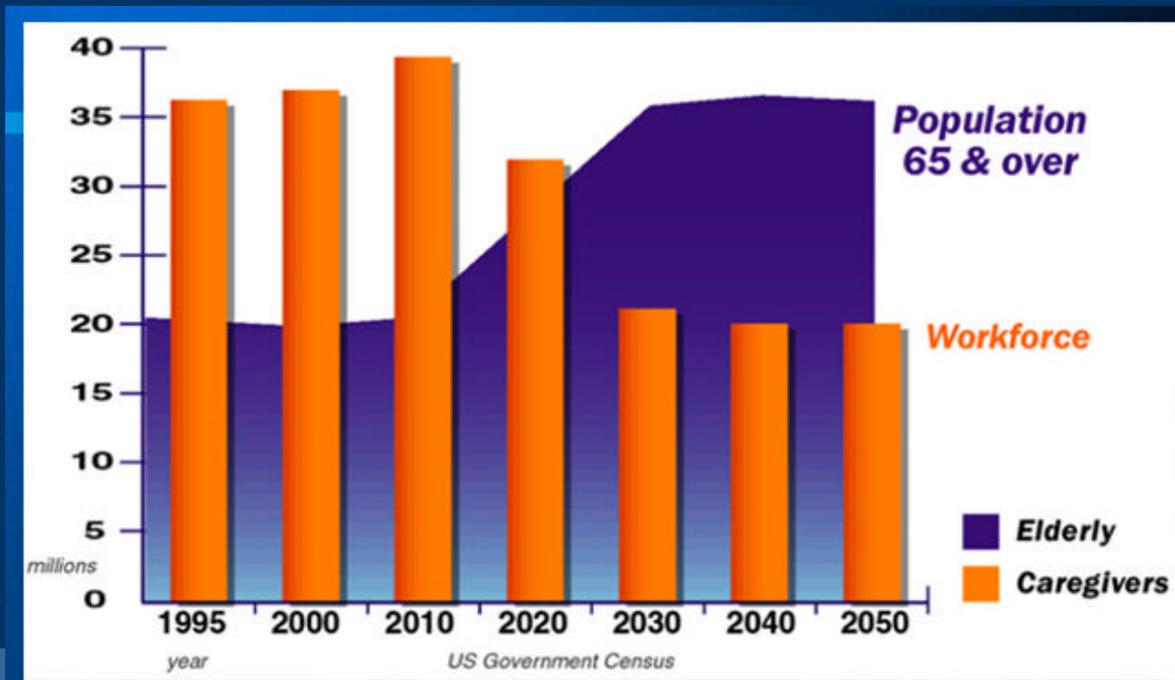
Quality First

# Quality First Initiative

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- ◆ Launched July 2002
  - ◆ Partnership between
    - American Health Care Association (AHCA)
    - American Association of Homes and Services for the Aging (AAHSA)
    - Alliance for Quality Nursing Home Care
  - ◆ Committed to healthy, affordable, and ethical long-term care
  - ◆ Rooted in seven principles and six outcomes
  - ◆ National Commission

# Nursing Home Challenges

- ◆ Staff Shortage – immediate need for 52,000 nursing assistants
- ◆ Exponential growth in 85+ age group

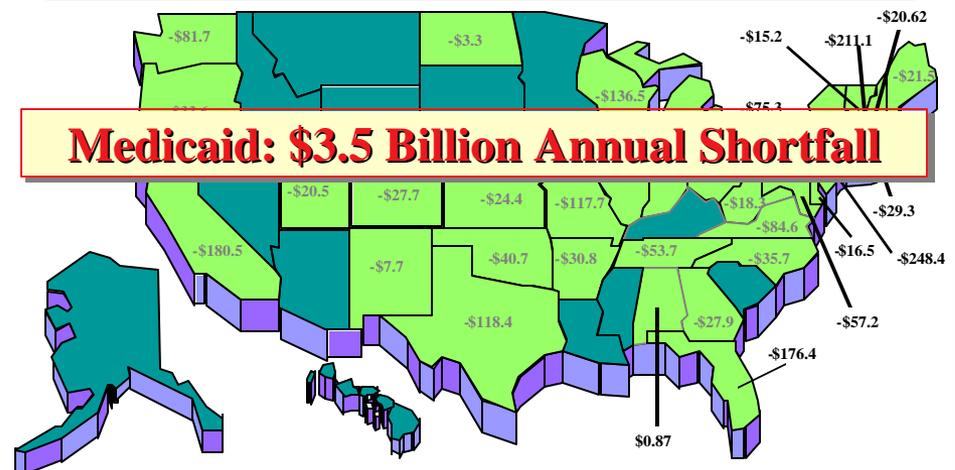


# Nursing Home Challenges

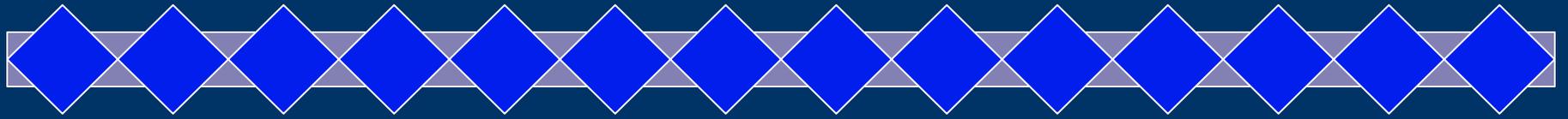
- ◆ Funding crisis for Medicare and Medicaid
  - \$3.5 billion annual Medicaid shortfall
  - Nursing homes in financial straits

## Disparity By State Between Total Medicaid Revenue and Total Allowable Medicaid Costs (In Millions)

Unreimbursed Medicaid Allowable Costs \$3.5 Billion For All 50 States



Source: State-specific databases of nursing facility rates and costs compiled by BDO Seidman, LLP. The amounts represent the difference between Medicaid rates and allowable Medicaid costs for each facility weighted by the facility's annual Medicaid days. It is not the average disparity between Medicaid rates and costs for only those facilities experiencing shortfalls in Medicaid reimbursement. If this were the case, the shortfalls would be much higher.



Providers Are  
Seeking Solutions

# Informed Choices



- ◆ Committed to provide consumers:
  - Reliable, valid, and timely information
  - Ability to make informed choices
- ◆ Intent on hearing the voice of our customers

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